

Senate Amendment 5213

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1 1 Amend Senate File 2345 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. Section 8.56, subsections 3 and 4,
1 5 Code 2005, are amended to read as follows:
1 6 3. ~~The Except as provided in subsection 5, the~~
1 7 moneys in the cash reserve fund shall only be used
1 8 pursuant to an appropriation made by the general
1 9 assembly. An appropriation under this subsection
1 10 shall be made in accordance with subsection 4 only for
1 11 the fiscal year in which the appropriation is made.
1 12 The moneys shall only be appropriated by the general
1 13 assembly for nonrecurring emergency expenditures and
1 14 shall not be appropriated for payment of any
1 15 collective bargaining agreement or arbitrator's
1 16 decision negotiated or awarded under chapter 20.
1 17 Except as provided in section 8.58, the cash reserve
1 18 fund shall be considered a special account for the
1 19 purposes of section 8.53 in determining the cash
1 20 position of the general fund of the state for the
1 21 payment of state obligations.
1 22 4. a. Except as provided in subsection 1 or 5, an
1 23 appropriation under subsection 3 shall not be made
1 24 from the cash reserve fund unless the appropriation is
1 25 in accordance with all of the following:
1 26 (1) The appropriation is contained in a bill or
1 27 joint resolution in which the appropriation is the
1 28 only subject matter of the bill or joint resolution.
1 29 (2) The bill or joint resolution states the
1 30 reasons the appropriation is necessary.
1 31 b. In addition to the requirements of paragraph
1 32 "a", an appropriation under subsection 3 shall not be
1 33 made from the cash reserve fund which would cause the
1 34 fund's balance to be less than three and three-fourths
1 35 percent of the adjusted revenue estimate for the year
1 36 for which the appropriation is made unless the bill or
1 37 joint resolution is approved by vote of at least
1 38 three-fifths of the members of both chambers of the
1 39 general assembly and is signed by the governor.
1 40 Sec. 2. Section 8.56, Code 2005, is amended by
1 41 adding the following new subsection:
1 42 NEW SUBSECTION. 5. There is annually appropriated
1 43 from the cash reserve fund for the fiscal year
1 44 beginning July 1, 2006, and for each succeeding fiscal
1 45 year to the health savings account loan fund created
1 46 in section 12A.3 the amount of ten million dollars.
1 47 Sec. 3. NEW SECTION. 12A.1 PURPOSE == PROGRAM
1 48 ESTABLISHMENT.
1 49 The purpose of this chapter is to assist resident
1 50 account beneficiaries of health savings accounts to be
2 1 able to fund, as quickly as possible, the amount of
2 2 the annual deductible and maximum out-of-pocket
2 3 amounts under the beneficiary's high deductible health
2 4 plan.
2 5 To fulfill the purpose of this chapter, the office
2 6 of the treasurer of state shall establish a health
2 7 savings account loan program.
2 8 Sec. 4. NEW SECTION. 12A.2 DEFINITIONS.
2 9 For purposes of this chapter, unless the context
2 10 otherwise requires:
2 11 1. "Account beneficiary", "health savings
2 12 account", and "high deductible health plan" mean the
2 13 same as defined in section 223 of the Internal Revenue
2 14 Code.
2 15 2. "Administrative contractor" means the person
2 16 with whom the office of the treasurer of state enters
2 17 into a contract to administer the health savings
2 18 account loan program.
2 19 3. "Internal Revenue Code" means the same as
2 20 defined in section 422.3.
2 21 4. "Small business" means an enterprise which is
2 22 located in this state, which is operated for profit
2 23 and under a single management, and which has twenty=
2 24 five or fewer employees.

2 25 Sec. 5. NEW SECTION. 12A.3 HEALTH SAVINGS

2 26 ACCOUNT LOAN FUND.

2 27 1. A health savings account loan fund is created
2 28 under the authority of the office of the treasurer of
2 29 state. The fund shall consist of appropriations made
2 30 to the fund and transfers of interest, earnings, and
2 31 moneys from other funds as provided by law. The fund
2 32 shall be separate from the general fund of the state
2 33 and the balance in the fund shall not be considered
2 34 part of the balance of the general fund of the state.
2 35 However, the fund shall be considered a special
2 36 account for the purposes of section 8.53, relating to
2 37 generally accepted accounting principles.

2 38 2. Notwithstanding section 12C.7, subsection 2,
2 39 interest or earnings on moneys in the fund shall be
2 40 credited to the fund.

2 41 3. The moneys in the health savings account loan
2 42 fund are appropriated to the office of the treasurer
2 43 of state for purposes of providing loans to resident
2 44 account beneficiaries of health savings accounts
2 45 pursuant to section 12A.4 or to small businesses to
2 46 make contributions to health savings accounts on
2 47 behalf of resident account beneficiaries pursuant to
2 48 section 12A.4.

2 49 Sec. 6. NEW SECTION. 12A.4 LOANS == PENALTY.

2 50 1. a. A resident of the state who is an account
3 1 beneficiary and whose balance in the health savings
3 2 account is less than the deductible under the account
3 3 beneficiary's high deductible health plan may apply to
3 4 the administrative contractor for a loan in an amount
3 5 not to exceed the difference.

3 6 b. An individual seeking a loan under this section
3 7 shall apply for the loan on a form approved by the
3 8 administrative contractor and provide the following
3 9 information:

3 10 (1) The amount of the deductible, the balance in
3 11 the health savings account, and the loan sought.

3 12 (2) A list of the major assets and liabilities of
3 13 the individual and the individual's household. The
3 14 treasurer of state shall establish by rule what
3 15 constitutes a major asset or liability.

3 16 (3) Any other health coverage of the individual
3 17 and the corresponding deductible.

3 18 (4) Other information deemed necessary by the
3 19 treasurer of state and administrative contractor.

3 20 c. If the administrative contractor determines
3 21 that the applicant qualifies for a loan and sufficient
3 22 funds are available, the administrative contractor
3 23 shall direct the office of the treasurer of state to
3 24 provide the applicant with a loan equal to the amount
3 25 requested by the applicant, not to exceed the limit
3 26 specified in paragraph "a". The loan shall be on
3 27 terms set by the treasurer of state and without
3 28 interest. The loan shall be deposited into the
3 29 applicant's health savings account. As part of the
3 30 loan agreement, the applicant shall agree that moneys
3 31 shall not be deposited by the applicant into the
3 32 applicant's health savings account until after the
3 33 loan has been repaid.

3 34 2. a. A small business that employs resident
3 35 account beneficiaries may apply to the administrative
3 36 contractor for a loan to make contributions on behalf
3 37 of its resident account beneficiaries. The amount of
3 38 the loan shall not exceed the sum of the differences
3 39 of each account beneficiary's balance in the health
3 40 savings account and the deductible under the account
3 41 beneficiary's high deductible health plan.

3 42 b. A small business seeking a loan under this
3 43 section shall apply for the loan on a form approved by
3 44 the administrative contractor and provide the
3 45 following information:

3 46 (1) A list of the resident account beneficiaries
3 47 employed by the business on whose behalf the business
3 48 will make contributions and a list of the difference
3 49 for each account of the account balance and the
3 50 account beneficiary's deductible.

4 1 (2) The amount of the loan and in which accounts
4 2 the loan proceeds will be deposited. The amount of
4 3 the loan shall not exceed the aggregate amount of the
4 4 differences listed as required in subparagraph (1).

4 5 (3) Other information deemed necessary by the

4 6 treasurer of state and administrative contractor.
4 7 c. If the administrative contractor determines
4 8 that the small business qualifies for a loan and
4 9 sufficient funds are available, the administrative
4 10 contractor shall direct the office of the treasurer of
4 11 state to provide the small business with a loan equal
4 12 to the amount requested by the small business, not to
4 13 exceed the limit specified in paragraph "a". The loan
4 14 shall be on terms set by rule of the treasurer of
4 15 state and without interest. As part of the loan
4 16 agreement, the small business shall agree that moneys,
4 17 other than the loan proceeds, shall not be deposited
4 18 by the small business into the health savings account
4 19 of the business's account beneficiaries until after
4 20 the loan has been repaid.

4 21 3. If funds are insufficient to provide all the
4 22 loans requested by the resident account beneficiaries
4 23 and small businesses that qualify, distribution of the
4 24 available funds shall be made based on the earlier
4 25 date of the application. However, priority in the
4 26 providing of loan requests shall be given to those
4 27 resident account beneficiaries and small businesses
4 28 that received loans for the prior calendar year,
4 29 except that such priority ceases after the second
4 30 year.

4 31 4. An applicant or small business shall not
4 32 receive more than two loans under this section.

4 33 5. If an applicant or other person knowingly makes
4 34 a false statement for the purpose of enabling the
4 35 applicant to receive a loan under this section, the
4 36 applicant or other person is guilty of a fraudulent
4 37 practice as described in section 714.8.

4 38 Sec. 7. NEW SECTION. 12A.5 ADMINISTRATIVE
4 39 CONTRACTOR.

4 40 1. An administrative contractor shall be selected
4 41 to administer the health savings account loan program
4 42 through a request for proposals process. The
4 43 treasurer of state, in conjunction with the
4 44 administrator of the division of insurance, shall
4 45 develop the criteria to be included in the request for
4 46 proposals for the selection of any administrative
4 47 contractor for the program. The request for proposals
4 48 shall specify that the maximum amount of remuneration
4 49 payable to the administrative contractor shall not
4 50 exceed five percent of the total amount of loans made
5 1 under the program during the calendar year.

5 2 2. The administrative contractor shall do all of
5 3 the following:

5 4 a. Accept applications for loans under the program
5 5 and determine which applications qualify.

5 6 b. Develop and issue appropriate approval and
5 7 denial notifications to inform applicants of the
5 8 status of their applications.

5 9 c. Notify the office of the treasurer of state of
5 10 the loan applications that have been approved.

5 11 d. Provide periodic reports to the office of the
5 12 treasurer of state.

5 13 e. Perform other duties specified in the contract
5 14 and as required by rule of the treasurer of state.>

5 15 #2. Title page, line 1, by inserting after the
5 16 words <made to> the following: <or on behalf of>.

5 17 #3. Title page, line 2, by inserting after the
5 18 word <accounts> the following: <and providing an
5 19 appropriation>.

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